CHAPTER 10 – STATE PREMIUM REPORTING AND REMITTANCE

1000 Monthly Premium Collection, Remittance, and Reporting Summarized

Life insurance premiums are withheld from employees' earnings monthly. Premiums are collected two months in advance and remitted to ETF one month in advance of the coverage month. Those employees on leave of absence (LOA) or layoff must prepay premiums for continued insurance coverage. Pre-paid premiums should be reported on the *Cash Collections/Refund* Report to MLIC for these employees. (See Subchapters 1005 and 1006 for details on completing and submitting the *Cash Collections/Refund* Report.)

Examples of premiums collection:

EXAMPLE A: Premium deducted from the February 8, 2002 biweekly payroll ("B" payroll) is for April 2002 coverage and must be remitted to ETF by March 20, 2002.

EXAMPLE B: Premium deducted from the February 1, 2002 monthly payroll is for April 2002 coverage and must be remitted to ETF by March 20, 2002.

The following steps summarize the monthly premium collection, remittance and reporting of life insurance premiums:

A.   Deduct the employee share of premium from paycheck.

B.   Collect premiums from employees who are on leave of absence or layoff, if necessary.

C.   Complete the *Group Life Insurance Collection Report* (ET-1610). (See Subchapters 1001 and 1002.)

D.   Prepare a check or WiSMART payment voucher(s) for the amount entered in the "Total Remittance" box on the *Group Life Insurance Collection Report* (ET-1610). (See Subchapter 1003.)

E.   Make a photocopy of the *Group Life Insurance Collection Report* (ET-1610) for your records.

F.   Send a check or WiSMART payment voucher(s), along with the *Group Life Insurance Collection Report* (ET-1610) to ETF. (See Subchapter 1003.)

G.   Agencies on Central Payroll and University Hospital and Clinics (UWHC) complete a *Cash Collections/Refunds* Report, if necessary, and send it to MLIC. (See Subchapters 1005 and 1006.)

H.   Following each payroll cycle with life insurance deductions, agency representatives will review the exception reports sent by MLIC and resolve any discrepancies prior to the next life insurance premium deduction. (See Subchapters 1007 – 1012.)

1001   Completing the Group Life Insurance Collection Report

Each state agency representative must prepare a *Group Life Insurance Collection Report* (ET-1610) to compute the state contribution and arrive at the total remittance amount. (Refer to Subchapter 1002 for a copy of the report.)

A. Indicate the total amount of employee deductions for each coverage type (Basic, Supplemental, Additional, Spouse and Dependent, Age 70 and Over Additional).

  1. Multiply the employee deductions for each plan by the corresponding percent of state contributions to arrive at the state share amount.

      To properly compute the state contribution, it is necessary for each agency to prepare the *Group Life Insurance Collection Report* (ET-1610) and to distribute the employee contribution by the plan type (Basic, Supplemental, Additional, Spouse and Dependent, Age 70 and Over Additional). Any prior month adjustments and premiums from employees who are on leave of absence or layoff must be included in the appropriate category. The breakdown of total employee and state contributions by coverage type must equal the amount actually remitted.

(Refer to Subchapter 903 for additional information.)

2. Enter the total remittance amount equal to the employee deduction plus the state share on the report. This total remittance amount must equal the amount actually remitted to ETF via check and/or WiSMART payment voucher(s).

    NOTE: The total state contribution shown on the Central Payroll Processing Center may not exactly equal the indicated percentage calculation. Therefore, state agency representatives may need to use discretion in allocating any minor differences to the various types of coverage.

B. Indicate the total amount of cash collected from participants appealing removal or discharge. This amount should not have an associated state share, therefore causing a variance from the expected amount of state share. Agencies on Central Payroll and UWHC must complete a *Cash Collections/Refund* Report for any transactions not processed on the normal biweekly payroll cycle. (Refer to Subchapters 1005 and 1006 for further information.)

1002 *Group Life Insurance Collection Report* (ET-1610)

Department of Employee Trust Funds
801 W. Badger Road
PO Box 7931
Madison WI 53707-7931

GROUP LIFE INSURANCE COLLECTION REPORT
Wis. Stat. § 40.06

Employer Name		Coverage Month	Employer No. 69-036-

	Coverage Type	Employee Deductions	% State Contributions	State Share
ALL STATE EMPLOYEES	Basic		x 63% =	
	50% Supplemental		x 35% =	
	100% Supplemental		x 35% =	
	Spouse & Dependent Children			
	Additional			
	Age 70 & Over			
TOTALS		(1)		(2)
TOTAL REMITTANCE		(1 + 2)		

CASH COLLECTIONS Indicate the total amount of cash collected from participants appealing removal or discharge in the box to the right. This amount should not have an associated State Share. All adjustments, refunds and cash collections must be included in the appropriate boxes above.	$

I hereby certify that the above information is a correct and complete report of life insurance premiums for all eligible participating employees during the month indicated and paid by the remittance listed. I understand that Wis. Stat. § 943.395 provides criminal penalties for knowingly making false or fraudulent claims on this form and hereby certify that, to the best of my knowledge and belief, the above information is true and correct.

Date	Prepared By	Phone No. ( )

ET-1610 (REV 04/2001)

1003 Submitting Premiums to ETF

After completing the *Group Life Insurance Collection Report* (ET-1610), some state agencies send payment vouchers through WiSMART, while other agencies submit a check.

- Agencies on WiSMART

  Make a screen print of the first page of each WiSMART payment voucher, or create a list of payment vouchers showing the transaction date, agency number, transaction number, batch number (if any) and the amount. The total of the payment vouchers must equal the total remittance on the *Group Life Insurance Collection Report* (ET-1610).

- All others not on WiSMART

  Prepare a check for the total remittance shown on the *Group Life Insurance Collection Report* (ET-1610).

Submit *Group Life Insurance Collection Report* (ET-1610) and payment using one of the following methods:

- Mail to: DEPARTMENT OF EMPLOYEE TRUST FUNDS
  PO BOX 7931
  MADISON WI 53707-7931

- Deliver to: Department of Employee Trust Funds
  801 West Badger Road
  Supply and Mail Services
  Madison, Wisconsin

- Deliver to the downtown drop-off site: Department of Employee Trust Funds
  DOA Drop-off Site
  5th Floor
  101 East Wilson Street
  Madison, Wisconsin

  NOTE: ETF will pick up materials from the drop-off site each day at 12:30 p.m. Any reports left at the drop-off site after 12:30 p.m. will be considered received at ETF the following day.

ETF will audit the entries on the *Group Life Insurance Collection Report* (ET-1610) with either the WiSMART transfer total or the check amount, and verify that the funds have been successfully transferred to ETF. If correct, the *Group Life Insurance Collection Report* (ET-1610) will be retained by ETF. If the total amount is incorrect, ETF will contact the state agency payroll representative for an explanation.

1004 Premium Reporting and Membership Data Base System Summary (Central Payroll and UWHC Only)

MLIC maintains a life insurance premium reporting and membership database for employees on Central Payroll system and University of Wisconsin Hospital and Clinics to ensure that each employee is paying the correct amount of premium for the coverage elected.

The following summary describes the process used by MLIC to report and reconcile premium payments:

A. MLIC will update the membership database from information received on valid application forms and from information submitted on the monthly *Cash Collections/Refunds* Report. (See Subchapters 1005 and 1006.)

B. Within two days of processing the payroll with life insurance premium deductions, the payroll-processing center will create and send an electronic file to MLIC that will be used to update the database. The report includes life insurance transactions that have occurred since the last pay period in which life insurance deductions were taken.

   1. The following payroll transactions are reported to MLIC:

      Normal Termination
      Retirement
      Death
      Leave of Absence Begin
      New Employee to the Plan
      Regular Premium Deductions
      Cancellation of all coverage
      Adjustments taken or refunded
      Secondary Level Change
      Transfer Into an Agency
      Transfer Out of an Agency

   2. The monthly transaction report will not include employees who return from a leave of absence. MLIC will know the employee returned to active employment when a regular transaction is again reported. If the employee does not return from the leave of absence, a termination transaction with the employee's inactive code effective date will be included on the monthly report from the payroll processing centers.

C. After all monthly payroll transactions have been posted to participants' accounts, MLIC will compare the data that they received from the payroll processing centers with their database.

D. MLIC will send exception reports to state agencies that will identify discrepancies between the premium that MLIC received and what they expected. (See Subchapter 1007.)

E.   Resolving Exception Report Discrepancies

      1.   MLIC will review the exception reports prior to sending them to the agency representative. If MLIC is able to identify and resolve discrepancies via information received on the monthly *Cash Collection/Refund* Report or on life insurance applications, the employee will be crossed off the list prior to sending the report to the agency.

      2.   When MLIC is aware that an employee is on leave of absence and has paid in advance, it is noted on their system and the employee will not appear on future exception reports.

      3.   If there are still discrepancies after MLIC has reviewed and resolved any identifiable discrepancies, the reports are sent to the agency payroll representative for review and resolution.

      4.   The agency payroll representative should review the discrepancies to identify and correct the cause of the problem(s) before the next payroll deduction. The corrected reports may be returned to MLIC via mail or FAX. If the corrections are few, the payroll representatives may call or e-mail MLIC with the information.

F.   State agency representatives should take the following steps each month to properly report premium deductions and avoid discrepancies:

      1.   Report employee WRS enrollments and terminations in a timely manner.

      2.   Submit completed *Life Insurance Application/Cancellation/Refusal* (ET-2304) forms to ETF as soon as possible. MLIC will set up the employee's record in their database with a future effective date.

         NOTE: The coverage cannot become effective until the WRS enrollment has been reported to ETF.

      3.   Use the correct employer payroll life action codes when completing all payroll transactions. The employer payroll life action codes must be correct to provide MLIC with accurate information.

      4.   Complete the *Cash Collections/Refunds* Report for all transactions that are not included on the payroll and submit it to MLIC by the 20th of each month. (See Subchapter 1005.)

      5.   Promptly review the exception reports generated after each payroll where life insurance premiums are deducted, and resolve discrepancies with MLIC.

6.   Become familiar with the rules for terminating and retiring employees for group life insurance purposes. (See Chapter 16.)

G.   MLIC will update insured employee's coverage amount and premium annually in January (for March coverage) based on information received from the payroll processing centers and ETF. (See Subchapter 905 for more information about annual changes in coverage.)

1005   Completing and Submitting the Cash Collections/Refunds Report

Any premium payments or refunds that are not processed through the payroll system must be reported to MLIC on the *Cash Collections/Refunds* Report. Refunds may be necessary, retroactive to the period during which the error occurred. (Excess premium refund information may be found in Subchapter 900.)

Examples of transactions that should be reported on the *Cash Collections/Refunds* Report include:

- Cash premium collections from employees on leave of absence or layoff
- Refunds made via WiSMART
- Premiums taken on a manual payroll
- Premiums refunded via a check/advice cancellation

MLIC will post the cash collections and refunds to each employee's record prior to posting the premiums that were deducted via the next monthly payroll.

The following is an explanation of the *Cash Collections/Refunds* Report. The letters below correspond to the circled letters on the sample found in Subchapter 1006.

A.   Indicate the month for which the report is being submitted, the agency name, and the ETF EIN number beginning with 0001 followed by a three-digit unit number. (e.g. ETF's EIN = 0001-110)

B.   Enter the name and Social Security number of each employee for whom a refund or cash collection has been made.

C.   Enter the code for the reason an adjustment is being made. Refer to the list of codes at the bottom of the form:
          P = Payment while on Leave of Absence (LOA) without Pay or Layoff and Prepayments
          M = Premium Paid through Manual Payroll
          R = Refunds/Redeposits (Use a minus (-) sign to indicate a refund)

D.   Enter the amount of Basic coverage.

E.   Enter the coverage months for which premium is being collected or refunded. If an employee is paying for several months, indicate which month(s) the premium is for.

F.   Enter the amount of Basic premium.

G.   Enter the amount of Supplemental premium and indicate whether or not it is 50% Supplemental.

H.   Enter the total amount of Additional premium. If an employee has two or three levels of Additional coverage, enter the combined amount of all levels.

I.   Enter the total amount of Spouse and Dependent coverage. If an employee has two levels of Spouse and Dependent coverage, enter the total amount of both levels.

J.   Add the total amount of Basic, Supplemental, Additional and Spouse and Dependent premium being reported for each employee.

Send (mail, fax, or e-mail) the completed *Cash Collections/Refunds* Report to MLIC no later than the 20th of each month:

> MINNESOTA LIFE INSURANCE COMPANY
> PO BOX 259708
> MADISON WI 53725-9708
>
> FAX: (608) 277-8665
>
> E-mail: jodie.schilling@minnesotamutual.com

Agencies may wish to prepare their reports as an Excel spreadsheet and send it as an e-mail attachment. Contact MLIC at the above address or call MLIC at (608) 277-8690 to obtain the form in electronic Excel format.

1006   Cash Collections/Refunds Report

MINNESOTA LIFE INSURANCE
P.O. Box 259708
Madison, Wisconsin 53725-9708
PHONE (608) 277-8690
FAX (608) 277-8665
E-MAIL: Jody.Schilling@MinnesotaMutual.Com

Monthly Adjustment for Wisconsin
Public Employer Group Life Plan
Policy Number 2832-G

CASH COLLECTIONS/REFUNDS

MONTH_____

AGENCY NAME_____ (A)

ETF EIN NUMBER _____

Social Security Number (B)	Name (Last, First, MI)	Reason for Adjustment* (C)	Basic Coverage Amount (D)	Coverage Month(s) (E)	Total Basic Premium (F)	Total Supp Premium (G)	50% (Y or N)	Total Add'l Premium (H)	Total SD/DP Premium (I)	Grand Total Premium (J)

Reason for Adjustment

P   Payment while on Leave of Absence Without Pay (and Prepayments)
M   Premium Paid through Manual Payroll
R   Refunds/Redeposits ("-")

1007   MLIC Reports (State Agencies on Central Payroll and UWHC only)

After the monthly transactions have been posted to participants' accounts, MLIC compares the data received from the payroll processing centers with the MLIC database. Reports are produced for informational purposes and to identify discrepancies between what MLIC received and what was expected. These reports are sent to the state agencies on Central Payroll and UWHC:

- Monthly Premium File New Enrollments – Report A
- Monthly Premium File Terms/Death/LOA/Retirements/Cancels – Report B
- Monthly Premium Error Report Premium Record Was Received From Client Participant/Coverage Not Found On MML System – Report C
- Monthly Premium Error Report Premium Record Was Not Received From Client Participant/Coverage Does Exist on MML System – Report D
- State Agency Monthly Premium Error Report for Coverage Month of: MM/CCYY – Report E

1008   New Enrollments – Report A

This report lists any employee at the agency/secondary level who is new to the life insurance program and who has enrolled during the prior month. Employees that transfer between state agencies within a payroll-processing center will <u>not</u> appear on this report. Employees who transfer from outside a payroll-processing center (such as the University of Wisconsin) will be included on this report. The information on this report is generated from the premium file submitted by payroll processing. Each insurance plan (i.e., basic, supplemental, additional, spouse and dependent) is listed separately, so the same employee could appear on the report up to four (4) times.

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                                           STATE AGENCIES - MONTHLY PREMIUM FILE           12:06 Friday, April 6, 2001   1
                                                NEW ENROLLMENTS - REPORT A
                                      --------- EIN=0001111 AGENCY=400 ---------

        SOCIAL        EIN       AGENCY    FNAME    LNAME       TRANTYP    COVNAME

        999999999     0001111   400       FIRST    LAST NAME   0060       01 - BASIC
        999999999     0001111   400       FIRST    LAST NAME   0060       04 - SPOUS
        999999999     0001111   400       FIRST    LAST NAME   0060       45 - SUPPL
        999999999     0001111   400       FIRST    LAST NAME   0060       01 - BASIC
        999999999     0001111   400       FIRST    LAST NAME   0060       04 - SPOUS
        999999999     0001111   400       FIRST    LAST NAME   0060       45 - SUPPL
        999999999     0001111   400       FIRST    LAST NAME   0060       47 - ADDIT
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1009 Terms/Death/LOA/Retirements/Cancels – Report B

This report lists any employee at the agency/secondary level who has terminated coverage. The information on this report is generated from the premium file submitted by payroll processing. Employees are listed only once on this report. The following transactions will be reported:

- Normal Termination
- Retirement
- Death
- Cancellation of all coverage
- Leave of Absence Begin Date

STATE AGENCIES - MONTHLY PREMIUM FILE   12:06 Friday, April 6, 2001   1
TERMS/DEATH/LOA/RETIREMENTS/CANCELS
REPORT B
--------------- EIN=0001111 AGENCY=400 ----------------

SOCIAL	EIN	AGENCY	FNAME	LNAME	TRANTYP	TERMDT	TRNNAME
999999999	0001111	400	FIRST	LAST NAME	0005	02/25/2001	RETIREMENT
999999999	0001111	400	FIRST	LAST NAME	0001	02/14/2001	TERMINATION
999999999	0001111	400	FIRST	LAST NAME	0001	01/27/2001	TERMINATION
999999999	0001111	400	FIRST	LAST NAME	0001	02/17/2001	TERMINATION

1010   Premium Received Coverage Not Found on MLIC System – Report C

This premium error report lists employees for whom a life insurance premium was deducted, but MLIC does NOT have a record of it on its database. The report contains four columns: Basic, Spouse & Dependent, Supplemental and Additional. A "Y" will appear in the column of the coverage(s) for which premiums were received in error.

The report is produced when an employee completes an application or evidence of insurability form for spouse and dependent coverage which has been approved but the information is not entered in the MLIC database. When this happens, provide a copy of the completed application or evidence of insurability form to MLIC showing coverage is in effect. Once coverage has been verified, MLIC will update the database. If valid proof is not obtained, coverage is not in effect and any premiums taken in error must be refunded.

EXAMPLE: According to MLIC records, employee has Basic and Supplemental insurance. However, premium is also received for Additional and Spouse and Dependent coverage. MLIC has not yet received an approved enrollment form for Additional and Spouse and Dependent coverage, so the letter "Y" will appear in the "SPDEP" & "ADDL" columns indicating that MLIC was not expecting these premiums.

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STATE AGENCIES MONTHLY PREMIUM ERROR REPORT                10:39 Friday, April 6, 2001   1
PREMIUM RECORD WAS RECEIVED FROM CLIENT
PARTICIPANT/COVERAGE NOT FOUND ON MWL SYSTEM
REPORT C
------ EIN=0001114 AGENCY=002 ------
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SSNO	EIN	AGENCY	BASIC	SPDEP	SUPPL	ADDL	COVMONTH	LNAME	FNAME	MNAME	GENDER	BIRTH
999999999	0001114	002	Y	Y	Y	Y	MAY	LAST NAME	FIRST	M	F	06/22/1945
999999999	0001114	002	Y	Y	Y	Y	MAY	LAST NAME	FIRST	M	M	12/19/1961
999999999	0001114	002	Y	Y	Y	Y	MAY	LAST NAME	FIRST	M	M	12/19/1961
999999999	0001114	002	Y	Y	Y	Y	MAY	LAST NAME	FIRST	M	M	12/19/1961
999999999	0001114	002	Y	Y	Y	Y	MAY	LAST NAME	FIRST	M	F	07/18/1947

1011 Premium Not Received/Participant or Coverage Exists on MLIC System – Report D

This report lists employees for whom MLIC was expecting a premium but none was received. This may occur when an employee goes on a leave of absence (LOA) and no prepayment of premiums is made. It also occurs if the employee is not paid and a manual payroll is going to be done, etc. A "Y" will appear in the column of the type of insurance coverage for which premiums were expected but not received.

To avoid receiving this error report, report any deductions taken on a manual payroll or payments received via a personal check on the *Cash Collections/Refunds* Report. (See Subchapter 1005.) Information reported on the *Cash Collections/Refunds* Report and received by MLIC prior to the 20th of the month is posted to the database prior to posting the monthly transaction report.

Cash payments received after the *Cash Collections/Refunds* Report has been submitted to MLIC may be included on the next *Cash Collections/Refunds* Report. MLIC will then update their records.

STATE AGENCIES MONTHLY PREMIUM ERROR REPORT
PREMIUM RECORD WAS NOT RECEIVED FROM CLIENT
PARTICIPANT/COVERAGE DOES EXIST ON MML SYSTEM
REPORT D

10:39 Friday, April 6, 2001   1

EIN=1114 AGENCY=' '

SSNO	EIN	AGENCY	BASIC	SPDEP	SUPPL	ADDL	COVMONTH	LNAME	FNAME	MNAME	GENDER	BIRTH
999999999	1114		Y	Y	Y	Y	05/01/2001	LAST NAME	FIRST	M	F	07/04/1976
999999999	1114		Y	Y	Y	Y	05/01/2001	LAST NAME	FIRST	M	F	05/31/1957
999999999	1114		Y	Y	Y	Y	05/01/2001	LAST NAME	FIRST	M	M	07/30/1970
999999999	1114		Y	Y	Y	Y	05/01/2001	LAST NAME	FIRST	M	F	08/18/1959
999999999	1114		Y	Y	Y	Y	05/01/2001	LAST NAME	FIRST	M	M	07/30/1970
999999999	1114		Y	Y	Y	Y	05/01/2001	LAST NAME	FIRST	M	F	08/18/1959

1012   Premium Error Report (Mismatch) – Report E

This error report shows employees where the premium amount received by MLIC does not match the expected premium amount. MLIC database contains the expected premium amount for each coverage type per employee. If a different premium amount is deducted from the employee, this error report is generated. The premium amount expected by MLIC appears in the column titled "ML PREM". The premium amount sent by the State agency appears in the column titled "SA PREM".

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                    STATE AGENCY MONTHLY PREMIUM ERROR REPORT                    PAGE #   1
                         FOR COVERAGE MONTH OF:  05-2001
                                  REPORT E
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APPLICANT NAME	*** BASIC *** ML PREM	SA PREM	COV EFF DT	SOC SEC #	EMPLOYER	DEPT.	*** SUPPLEMENTAL *** ML PREM	SA PREM	COV EFF DT	BIRTHDATE	PTC STA EFF	*** SPOUSE *** ML PREM	SA PREM	COV EFF DT	COV. MONTH	*** DEPENDENT *** ML PREM	SA PREM	COV EFF DT	ML INS AMT	*** ADDITIONAL *** ML PREM	SA PREM	COV EFF DT	SA INS AMT
LAST NAME FIRST M M				999-99-9999	1114	000				07-24-1957	09-01-1985	4.00	5.00	* 05-01-1988	05-2001				$53,000.00				$0.00
LAST NAME FIRST M M				999-99-9999	1114	000				09-05-1951	12-01-1980	4.00	5.00	* 05-01-1988	05-2001				$29,000.00				$0.00
LAST NAME FIRST M M				999-99-9999	1114	000				02-24-1950	02-01-1980	2.00	2.50	* 05-01-1988	05-2001				$40,000.00				$0.00
LAST NAME FIRST M M	7.92	8.64	* 07-01-1974	999-99-9999	1114	000	7.92	8.64	* 07-01-1974	08-28-1942	06-01-2001	4.00	5.00	* 05-01-1988	05-2001				$24,000.00				$0.00
LAST NAME FIRST M M				999-99-9999	1114	000				07-21-1976	07-01-2000	5.00	2.50	* 01-01-1999	05-2001				$21,000.00				$0.00
LAST NAME FIRST M M	2.52	2.70	* 11-01-1978	999-99-9999	1114	000	2.52	2.70	* 11-01-1978	08-02-1956	06-01-2001	4.00	5.00	* 05-01-1988	05-2001				$30,000.00	3.36	3.60	* 07-01-1984	$0.00
LAST NAME FIRST M M				999-99-9999	1114	000				05-16-1951	06-01-2001	2.00	2.50	* 05-01-1988	05-2001				$29,000.00				$0.00

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* ASTERISK INDICATES PREMIUM MISMATCH
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